

AUG 26 1996

**Federal Communications Commission
Office of Secretary**

In the Matter of)
)
Southwestern Bell)
Telephone Company Petition) NSD-L-96-6
(Hearne/Austin LATAs))

Pursuant to the Commission's Public Notice, DA 96-1190, CC Docket No. 96-159, released July 26, 1996, AT&T Corp. ("AT&T") submits these comments on the petition of Southwestern Bell Telephone Company ("SWBT") to waive certain LATA boundaries in order to provide integrated services digital network ("ISDN") in the Hearne, Texas LATA. As explained below, if SWBT is in fact seeking approval to provide ISDN or any other service across LATA boundaries in its region without meeting the requirements of Section 271 of the new Telecommunications Act ("the Act"), then the Commission lacks the authority to grant its request. If, however, SWBT believes that its proposal seeks to "modify" existing LATA boundaries, then it should be required to explain why such characterization is appropriate, and to show that the proposal would neither foreclose competition in the affected areas nor diminish SWBT's incentive to open its local monopoly to competition.

More specifically, Section 271(a) of the Act prohibits any Bell company from providing in-region interLATA services, "except as provided elsewhere in [Section 271]." Section 271(b)(3) authorizes the provision of "incidental" interLATA services by a Bell Company, but SWBT does not (and cannot) make any claim that ISDN is an "incidental" service. In addition, Section 271(d) authorizes the Commission to approve a Bell company application to provide other (i.e., non-incidental) interLATA services, but only if the applicant meets the rigorous criteria specified therein.

Against this background, SWBT has filed its petition, which purports to seek a "waiver" of LATA boundaries but relies at least in part on the authority granted to LECs to "modify" LATA boundaries with Commission approval.¹ The precise nature of the relief sought by SWBT is therefore unclear. SWBT's proposal could properly be characterized as seeking a "modification" only if it were proposing to move a LATA boundary, so that certain calls that would have been classified as interLATA prior to the modification would be classified as intraLATA post-modification, while other calls that would have been classified as intraLATA prior

¹ Petition, p. 2, citing Section 3(43).

to the modification would be classified as interLATA post-modification.

In contrast, a proposal to ignore (as opposed to move) LATA boundaries pursuant to a "waiver" without satisfying the criteria set forth in Section 271(d) is foreclosed by the prohibition against RBOC provision of interLATA service contained in Section 271(a). The only exceptions to this prohibition are those provided for elsewhere in Section 271.²

SWBT's unsupported suggestion (p. 2) that the Commission is authorized to grant waivers of the interLATA prohibition pursuant to Section 3(43) is contrary to the the plain language of Section 271(a). Congress has carefully delineated in Section 271(d) the circumstances in which the Commission may authorize an RBOC to provide service across LATA boundaries, and has expressly provided that no such authorization may be granted in other circumstances.³ Moreover, the Commission's authority under Section 3(43) is limited to the approval of

² Unlike the Modification of Final Judgment, the Act contains no provision for a "waiver" of the interLATA service prohibition.

³ See Railway Labor Executives' Assoc. v. NMB, 29 F.3d 655, 671 (D.C. Cir. 1994) (en banc) ("the duty to act under certain carefully defined circumstances simply does not subsume the discretion to act under other, wholly different circumstances, unless the statute bears such a reading"), cert. denied, 115 S. Ct. 1392 (1995).

proposals to "modify" LATA boundaries, not to "waive" those boundaries.

Finally, whether the relief sought by SWBT is properly characterized as a "waiver" or "modification" of LATA boundaries, its petition raises serious issues regarding competition. Through its request, SWBT seeks to provide service that is currently interLATA service. If its request is granted, it will displace interexchange carriers who may be competing to provide that service. Moreover, allowing a Bell company to chip away at the prohibition on its provision of in-region interLATA service without complying with the competitive checklist of Section 271 would reduce its incentive to open up its local exchange monopoly. Indeed, because the prospect of providing in-region interLATA service is a Bell company's

only incentive,⁴ the Commission should exercise whatever authority it has to grant this and similar petitions sparingly, if at all.

Respectfully submitted,
AT&T CORP.

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⁴ See Implementation of the Local Competition Provisions in the Telecommunications Act of 1996, CC Docket No. 96-98, First Report and Order, FCC 96-325, released August 8, 1996, para. 55.

CERTIFICATE OF SERVICE

I, Ann Marie Abrahamson, do hereby certify that on this 26th day of August, 1996, a copy of the foregoing "Comments of AT&T Corp." was mailed by U.S. first class mail, postage prepaid, to the parties listed below.

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